

# REDE INITIATIVE

## RENEWABLE ENERGY DEMAND ENHANCEMENT FOR CORPORATE BUYERS IN INDIA



### THE INITIATIVE

The **Renewable Energy Demand Enhancement (REDE) Initiative** for Commercial & Industrial (C&I) consumers aims to build an alliance among corporate buyers to increase commitment to renewable energy (RE) procurement and catalyse solutions to address challenges that are significantly restricting demand.

### CONTEXT

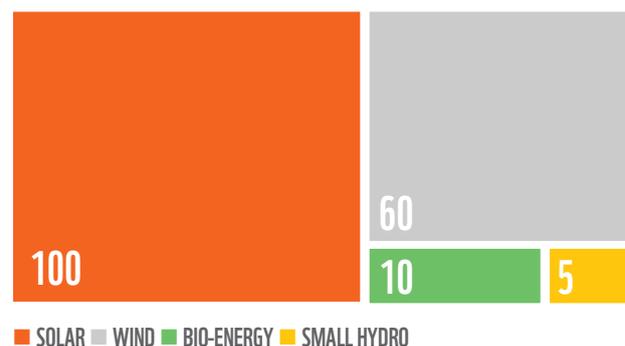
In February 2015, the Government of India set the target to install 175GW renewable energy (RE) capacity by 2022. The objectives are to enhance national energy security by expanding and diversifying the fuel mix; drive sustainable economic growth and ensure that development is aligned with India's clean energy commitments.

Proactive policies, strong investor sentiment, cohesive public and private sector participation, sharp decrease in costs, and support from the states has doubled India's installed RE capacity from 34GW to 69GW between March 2015-18.

In parallel, transparent competitive bidding for solar and wind projects by state governments in coordination with national nodal agencies have been well-received by the industry. RE tariffs dropped to historic lows in 2017, reaching grid parity with domestic coal, the traditional

mainstay of India's power sector. Commercial viability of RE has supplemented its advantage as a green energy, strengthening the business case for its adoption. However, large-scale grid integration of RE needs major improvements in infrastructure, grid-management technologies, storage, tariff systems, and consumer services.

INDIA'S RENEWABLE ENERGY TARGET 2022 (GW)



## THE NEED FOR REDE

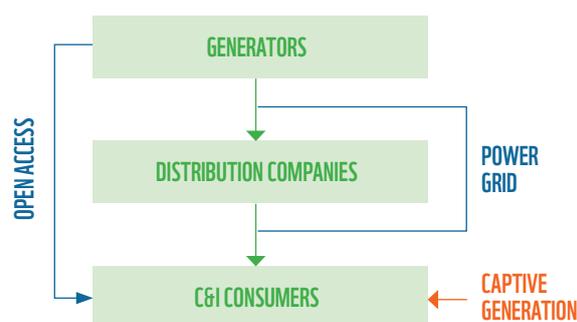
Commercial and Industrial (C&I) consumers use approximately 50% of the total electricity generated in India, most of which comes from conventional fuels. This customer base presents a major opportunity for RE, as the Government pursues its target of 40% power from non-fossil fuel sources by 2030. Increasing C&I consumer commitment and aggregating their demand can provide significant predictable off take for the expected upcoming volumes of RE power.

While the business case to adopt RE is stronger today than ever before, the process is very challenging for corporate buyers. Uncertain, complex and often conflicting national and state policies and regulations, inadequate awareness and compliance of implementation processes, technological issues, real and perceived costs, and operational inertia are the major deterrents to large-scale offtake of RE. Addressing

these issues requires informed and concerted efforts by all stakeholders.

The REDE Initiative will promote RE demand from C&I consumers, provide a national forum to discuss the challenges to large-scale corporate RE procurement, and present them to stakeholders to evolve practical and commercially viable solutions.

### POWER PROCUREMENT OPTIONS FOR C&I CONSUMERS



## ACTIVITIES

The REDE Initiative will follow a step-wise approach to setting up a national platform, starting with building strong business case examples at the state level. Key steps include:

- **Identify states** based on RE policies, presence of industrial clusters, power consumption, and generation capacity
- **Identify C&I consumers** based on power consumption, proclivity towards RE, and readiness to participate in this initiative
- **Host state-level Buyers' Day(s)**, closed-door discussions between large-scale corporate buyers / consumers of RE to understand their challenges, priorities, preferences, and build consensus on approaches to increase RE share in corporate fuel mix
- **Conduct closed-door stakeholder interactions** to discuss implementable solutions with:
  - Central Government: Ministry of New and Renewable Energy, Central Electricity Regulatory Commission, Solar Energy Corporation of India, Indian Renewable Energy Development Agency, Bureau of Energy Efficiency, etc.
  - State Governments: Energy secretaries, State Electricity Regulatory Commissions, distribution and transmission utilities
- **Identify champions** among policymakers and C&I consumers to spearhead the initiative
- **Establish the business case for renewables** by showcasing C&I consumers who have successfully adopted and scaled-up renewables, despite challenges
- **Organise the Annual REDE Roundtable** to disseminate learnings
- **Encourage voluntary adoption of Buyers Principles** for C&I consumers

### PHASE I STATES

#### ANDHRA PRADESH

Enabling RE policies, strong driver of renewables across sectors, has several heavy industry hubs

**18GW / 2022** target

**6.8 GW** commissioned

#### MADHYA PRADESH

Renewable-rich, proactive, methodically building capacity through solar parks

**12GW / 2022** target

**4 GW** commissioned

*Source: NREDCAP/CEA, 2018*

## ENVISIONED IMPACT

- A national forum for C&I consumers to discuss avenues for RE procurement and represent to stakeholders
- A unified power network: policymakers, regulators, generators, discoms, transcos and consumers will collectively debate, prioritise and resolve the urgent challenges to large-scale RE adoption by C&I consumers
- A cohesive and informed market and need-based infrastructure development for renewables
- Aggregated and commercially viable demand to meet India's target of 175GW RE capacity by 2022
- Strong industry support to states towards achieving their respective 2022 RE goals

## WHY PARTICIPATE

The REDE Initiative is targeted to C&I consumers who wish to adopt large-scale RE for long-term financial benefits and to meet their sustainable development goals. Participants will get:

- Insights into the business case for renewables and success stories of RE adoption by industry
- Opportunity to interact with Central and State policymakers, regulators and discoms to directly address challenges
- A voluntary, progressive community to ideate on cost-effective ways to adopt cleaner energy solutions for businesses

## THE INSPIRATION

The **Renewable Energy Buyers Alliance (REBA)**, founded in June 2016 in USA, has 74 iconic multinational corporations interfacing with customers, suppliers and policymakers to identify barriers to buying clean and renewable energy, and developing solutions to meet rapidly growing voluntary demand. In the US, REBA expects to catalyse an additional 60GW wind and solar capacity by 2025.

REBA, backed by WWF, BSR, RMI and WRI, is helping grow demand for renewable power from corporations, cities and public institutions by communicating the benefits, connecting large buyers to renewables supply, and helping utilities better understand and serve consumers. Achievements include:

- 74 Buyers' Principles signatories represent 67 million MWh of demand for renewables and \$7 trillion in market cap
- REBA's Future of Internet Power movement has over 20 technology companies committing to utilising 100% RE
- 20 utility green tariffs introduced/submitted for approval in 14 US states account for 1.1GW+ of utility-corporate buy

Building on REBA's success in the US, WWF-India seeks to bring its best practices to India.



## THE PARTNERS



**WWF-INDIA** was founded in 1969, with the mission to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by conserving biological diversity; ensuring sustainable use of renewable natural resources; and promoting the reduction of pollution and wasteful consumption. Globally, WWF has been at the forefront of advocacy towards 100% Renewable Energy by 2050 from a time when there was little inclination towards sustainable development.

As one of the largest conservation organisations in the country, WWF-India seeks to facilitate greater uptake of RE in India through climate, business and policy engagement.



**CONFEDERATION OF INDIAN INDUSTRY** is a non-government, not-for-profit industry-led organisation working to create and sustain a conducive environment for India's development. CII partners with industry, Government and civil society on policy and enhances efficiency, competitiveness and business opportunities for industry through advisory and consultative processes, services, and global linkages. Founded in 1895, CII has 9000+ public and private sector members, including SMEs and MNCs, and an indirect membership of 300,000+ enterprises from 265 sectoral industry bodies. CII has 65 offices in India, 11 overseas, and institutional partnerships with 355 counterparts in 126 countries. **The CII-Godrej Green Business Centre**, set up in 2004, offers advisory services on conservation of resources, green buildings and products, energy management, renewables, and waste management.

CII has worked closely with the Government to prioritise policy reforms and mobilise investment for the RE sector. With increasing RE output, CII is now focused on creating a buyers' market for green power.



**WWF-INDIA**  
172 B, Lodhi Estate  
New Delhi 110003  
wwfindia.org  
twitter.com/WWFINDIA

Bhavna Prasad  
Director – Sustainable Business, WWF-India  
bprasad@wwfindia.net

**CONFEDERATION OF INDIAN INDUSTRY (CII)**  
23, Institutional Area  
Lodhi Road  
New Delhi 110003  
cii.in  
twitter.com/FollowCII | twitter.com/CIIEnergy

Shuva Raha  
Deputy Director and  
Head – New Initiatives, CII  
shuva.raha@cii.in

